

APPENDIX 4

**PREPARED DIRECT TESTIMONY OF
NORTHWESTERN CORPORATION AND
BABCOCK & BROWN INFRASTRUCTURE, LTD.**

**PREFILED INITIAL TESTIMONY OF MICHAEL J. HANSON,
PRESIDENT AND CHIEF EXECUTIVE OFFICER OF
NORTHWESTERN CORPORATION**

Q. Please state your name and describe your position with NorthWestern Energy.

A. My name is Michael J. Hanson, and I am the President and Chief Executive Officer of NorthWestern Corporation and a member of the Board of Directors of NorthWestern.

Q. Please summarize your utility experience.

A. I was named president and chief executive officer of NorthWestern Corporation on May 23, 2005. Previously, I served as chief operating officer of NorthWestern Corporation since August 2003. I joined NorthWestern in 1998 as president and chief executive officer of the South Dakota and Nebraska utility operations. Following the acquisition of the utility operations of the former Montana Power Company in 2002, I took on the additional responsibility of the integrated utility operations as president and chief executive officer of the NorthWestern Energy division.

Prior to joining NorthWestern, I was general manager and chief executive of Northern States Power's North Dakota and South Dakota operations. I have worked in the utility industry for over 25 years in various financial, legal and operating leadership positions. Attached, as Exhibit __ (MJH-1) is a synopsis of

1 my education and work experience.

2
3 **Q. What is the primary purpose of your testimony?**

4 **A.** I am offering this testimony in support of Joint Application in Compliance with
5 Consent Order and Required Notification of NorthWestern Corporation
6 (“NorthWestern” or “Company”) and Babcock & Brown Infrastructure Limited
7 (“BBIL”) seeking the consent or authorization of the Montana Public Service
8 Commission (“MPSC” or “Commission”) for the purchase of 100% of
9 NorthWestern’s common stock and assumption of debt under an Agreement and
10 Plan of Merger (“Merger Agreement”), which is attached as Appendix 1 to this
11 Application.
12

13 **Q. Please provide a summary overview of your testimony**

14 **A.** My testimony provides a financial and operational overview of NorthWestern
15 since it emerged from bankruptcy, as a financially healthy utility. I will also
16 provide a brief discussion of our Board of Director’s Strategic Review Process
17 that resulted in diverse and short-term investors being replaced with a single long-
18 term investor. I will introduce the prospective new owner, BBIL, an entity, which
19 is dedicated to long-term utility investments and ownership. Finally, my
20 testimony discusses key components of the MPSC’s review of NorthWestern and
21 BBIL’s Joint Application.
22

23 **Q. What is the key objective that NorthWestern seeks to accomplish by this**
24 **transaction?**

25 **A.** For NorthWestern to continue to provide safe and reliable service at stable and
26 reasonable rates to the customers of Montana without the distraction and
27 uncertainty of investors with short-term monetary goals. In addition, this
28 transaction will allow NorthWestern to pursue infrastructure development and
29 other utility-related growth opportunities in Montana such as generation and

transmission, with the capital resources of BBIL.

Our goal is to work with the Commission and other parties to continue building a long-term, financially strong, and successful utility within Montana and NorthWestern's other jurisdictions.

Q. Please describe the Company and its operations in general.

A. NorthWestern does business as NorthWestern Energy, is a public utility under Montana law and is incorporated in the state of Delaware. Since first incorporating in 1923, NorthWestern has generated and distributed electricity in South Dakota and distributed natural gas in South Dakota and Nebraska. On February 15, 2002, NorthWestern acquired the electric and natural gas transmission and distribution business of The Montana Power Company, including the default supply obligation. A brief summary of the Company's Montana operations follows:

Electric Transmission, Supply and Distribution

NorthWestern's regulated electric utility operations in Montana consist of a transmission system of approximately 7,000 miles of transmission lines from 50 kilovolts to 500 kilovolts in size, and 335 associated transformation and terminal facilities. This transmission system has interconnections to five major transmission systems located in the Western Electricity Coordinating Council (WECC) area, as well as one interconnection to a system that connects with the Mid-Continent Area Power Pool ("MAPP") region. NorthWestern's electric distribution system in Montana consists of 20,300 miles of overhead and underground distribution lines. We deliver electricity to approximately 316,000 customers in 187 communities. NorthWestern is also a joint owner of the 500 kilovolt transmission system that is part of the Colstrip Transmission System. In Montana, NorthWestern provides interstate transmission service pursuant to an

1 Open Access Transmission Tariff (“OATT”) approved by the Federal Energy
2 Regulatory Commission (“FERC”).

3
4 In addition, NorthWestern acts as the permanent, legally obligated energy-
5 purchasing agent for 310,000 residential and commercial Default Supply
6 customers (i.e., those with load under 50 kW and up to 5000 kW). Since it owns
7 no rate-based generation in Montana, NorthWestern satisfies the needs of the
8 Default Supply customers by using a portfolio of power purchase agreements and
9 market purchases.

10 11 Natural Gas Supply and Distribution

12 NorthWestern's regulated natural gas system in Montana operates under
13 nonexclusive municipal franchises to purchase, store, transport, and distribute
14 natural gas in the Montana communities it serves. Its distribution system consists
15 of approximately 3,700 miles of underground pipelines and its transmission
16 system consists of more than 2,000 miles of pipeline. NorthWestern has
17 connections in Montana with five major, nonaffiliated pipeline systems: Williston
18 Basin Interstate Pipeline, NOVA Gas Transmission Ltd., Colorado Interstate Gas,
19 Encana and Havre Pipeline. NorthWestern's natural gas supply requirements in
20 Montana are provided through contracts with several major producers and
21 marketers. In Montana, this is also considered a “Default Supply” responsibility.

22
23 NorthWestern operates its transmission and storage systems under a “Hinshaw”
24 exemption and, thus, is regulated by this Commission and not subject to FERC’s
25 jurisdiction by virtue of Natural Gas Act (“NGA”) section 1(c). As such, this
26 Commission regulates NorthWestern’s on-system services (e.g., firm and
27 interruptible transportation and distribution transportation and firm storage
28 service). However, NorthWestern also offers off-system transportation service
29 that provides shippers with the opportunity to transport gas across the system for

1 delivery to the interconnection pipelines, as well as interruptible storage service.
2 These discrete interstate services are authorized by a limited-jurisdiction Order
3 No. 63 blanket transportation certificate, which allows NorthWestern to provide
4 services in the same manner that intrastate pipelines provide service under section
5 311 of the Natural Gas Policy Act of 1978. All revenue received from these off-
6 system transactions is credited to the core and non-core customers.
7

8 **NorthWestern Energy's Utility Operation Overview Since Bankruptcy**

9 **Q. How would you summarize NorthWestern's utility business today and its**
10 **principal business objective?**

11 **A.** NorthWestern is a financially sound utility business that provides safe and reliable
12 energy service, and maintains and invests in its utility operations for the benefit of
13 its customers, employees and stockholders.
14

15 **Q. How has NorthWestern performed in accomplishing this objective since**
16 **emerging from bankruptcy?**

17 **A.** As everyone is well aware, in September 2003, NorthWestern filed for
18 bankruptcy protection under chapter 11 of the U.S. Bankruptcy Code due to the
19 failure of certain non-utility businesses. Chapter 11 is designed to allow a
20 company to restructure its financial obligations. On November 1, 2004,
21 NorthWestern emerged as a financially healthy utility. The Company was
22 restructured as a true "back to basics" utility. This focus was very much
23 consistent with the goals of the MPSC and the Montana Consumer Counsel
24 (MCC) in their bankruptcy intervention.
25

26 Since then, NorthWestern has continued its efforts to build on its financial
27 stability, which is reflected in quarter over quarter increases in net income and
28 margin, the paying down of debt to below a 50% debt/equity ratio, strong
29 operating cash flows and liquidity, significantly reduced interest expense,

1 improved credit ratings on its debt, the disposition of the large majority of non-
2 utility assets, and the resolution of many significant lawsuits.

3
4 **Q. Please summarize NorthWestern's recent accomplishments.**

5 **A.** NorthWestern has been very focused on providing safe and reliable utility
6 services to our customers, procuring energy supply in Montana, and maintaining
7 and investing in our infrastructure. For example, the following is a list
8 summarizing some of the many accomplishments of the Company and its
9 Montana employees:

- 10
11 • Significant progress to address the utility system infrastructure
12 needs highlighted in the Liberty Audit and NorthWestern's
13 commitment to do so in the future remains unchanged;
- 14 • High customer satisfaction scores despite the record-high natural
15 gas prices that were experienced across the country this past
16 winter;
- 17 • Quality service as recognized by recent Reliability One and
18 Service One Awards;
- 19 • Unprecedented levels of customer assistance through the addition
20 of the Challenge Grant, which provided a \$250 bill-credit to
21 income-qualified customers who, for whatever reason, didn't
22 qualify for other low-income energy assistance;
- 23 • Customer weatherization assistance and incentive programs
24 through its USB and DSM activities;
- 25 • Commitment of 90 MWs of electricity from its unregulated share
26 of Colstrip Unit 4 at a prices substantially below current market
27 prices;
- 28 • Renewed commitment to the communities served through locally
29 controlled contributions programs, and support for our employees

involved in community activities;

- Completion of the 161kV transmission line in the Gallatin Valley - the first major new transmission project built in Montana in more than 15 years;
- Completion of three major substation expansions in the Gallatin Valley to meet the needs of the growing community in and around Bozeman;
- Continued capacity investments in the gas transmission systems serving the Missoula and Kalispell areas;
- Reduction in Montana related debt interest expense by 40% from date of emergence from bankruptcy; and,
- Hiring roughly 100 new employees to fill new and open positions throughout its Montana operations, including five new employees to the Energy Supply function.

We believe these actions are very much aligned with what we understand to be the Commission's expectations and create a solid foundation to continue to provide safe and reliable service at stable and reasonable rates.

Q. Where is the majority of key utility operational management located?

A. Montana. Although NorthWestern maintains its Corporate Office with certain management functions in Sioux Falls, South Dakota, the majority of NorthWestern Energy's activities operate out of Montana.

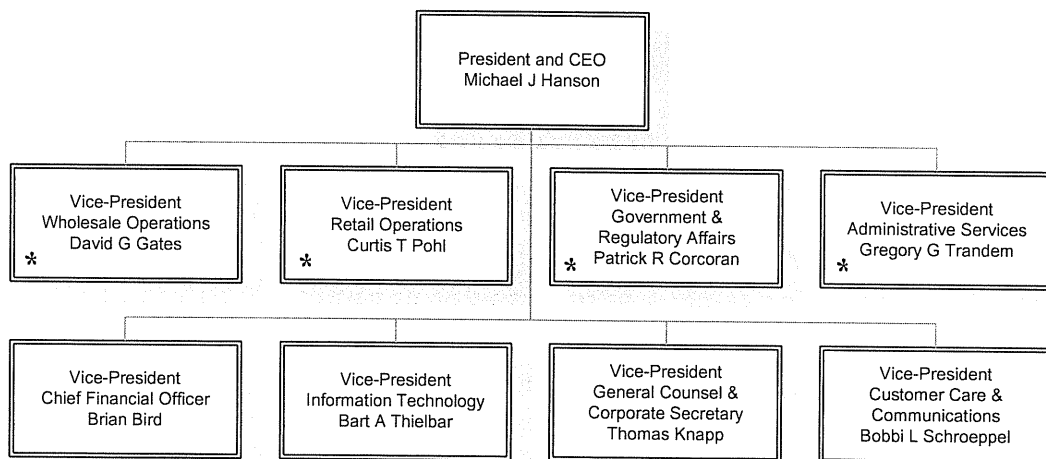
Most all of NorthWestern's primary administrative support personnel functions are located in Butte. These include accounting functions such as accounts payable; personnel functions such as payroll and benefits; cash processing; and others. Additionally, NorthWestern's System Operations and Control Center ("SOCC") located in Butte, houses the operating personnel that control the

electric and natural gas systems in all three states.

Finally, the majority of NorthWestern's energy supply personnel are also headquartered in Montana, and guided by key individuals who are widely acknowledged as experts in the field, and governed by an Energy Supply Board that is made up of five members of executive leadership, two from Montana and two from Sioux Falls, and a member of the Law Department. The members are senior leaders who come from various disciplines such as supply, wholesale operations, regulatory, finance and law.

NorthWestern's executive leadership along with BBIL's strong utility expertise will better serve the citizens of Montana through access to additional resources.

As shown in the following organization chart, NorthWestern Energy has an established strong senior management presence in Montana. Senior leadership for its entire energy supply, transmission and distribution operations, regulatory and governmental affairs, and administrative support for all three states are located in Montana:



* Denotes position located in Montana

Q. What is the greatest challenge facing NorthWestern?

A. Energy supply - NorthWestern's electric and natural gas default supply activities in Montana. NorthWestern recognizes that this Joint Application is more narrowly focused; however, it is important to know that NorthWestern's new owner/investor fully understands the Montana supply situation and strongly supports our efforts to move ahead in addressing it. The challenge before us is securing reasonably priced power in Montana without owning any generation assets and the move to market purchases. Ensuring long-term stable energy supplies continues to be our primary core focus, which we know is shared by the Commission. There are no easy answers to the supply challenge but, with the support of BBIL, NorthWestern is positioned to explore all options including, where it makes sense, equity ownership in rate-based generation.

NorthWestern's Strategic Review Process

Q. Why did NorthWestern conduct a Strategic Review Process, given the fact that it was already operating as a stand-alone financially healthy utility?

A. I have already described the situation as we emerged from bankruptcy and the financial expectations of many of the Company's short-term investors. NorthWestern's Board of Directors, in the exercise of its fiduciary duties to these current investors, retained legal and financial advisors to assist in the evaluation of strategic alternatives to maximize the long-term value of the organization to its shareholders, while assuring continued success in providing safe, reliable, high quality, and economic service to its customers. This evaluation took into consideration the needs and expectations of all stakeholders.

Q. Please describe the process NorthWestern used to evaluate its alternatives.

A. The alternatives were examined and evaluated during a fair, extensive and

1 thorough strategic review process that began in late 2005. NorthWestern's Board
2 directed management and its team of advisors to evaluate all strategic options.
3 These included continuing as a stand-alone company, a financial restructuring,
4 various merger scenarios and sale of the company.

5
6 After a thorough review and analysis of the strategic alternatives and in
7 consideration of the final proposals, the Board determined that a sale of the
8 Company is the best means of maximizing stockholder value and preserving the
9 Company's ability to provide safe, reliable and economic service for our
10 customers well into the future.

11
12 As an important part of this process, the Board, its financial and legal advisors,
13 and senior management worked to address the interests of all NorthWestern's
14 stakeholders -- customers, employees, regulators and stockholders. NorthWestern
15 requested that all bidders consider the regulatory requirements of all states in
16 which we provide service and in particular, in Montana, to the Stipulation and
17 Settlement Agreement between the Montana Consumer Counsel ("MCC"), the
18 Commission and NorthWestern ("Settlement Agreement"), and the Consent Order
19 by which the Commission approved the Settlement Agreement ("Consent
20 Order"). The Company also considered the "Statement of Factors For Evaluating
21 Proposals to Acquire NorthWestern Energy" released by the MPSC ("Statement
22 of Factors"). NorthWestern has focused in particular on ensuring that this process
23 has no adverse impact on the rates, cost, reliability or quality of our customer
24 service, and our operations.

25
26 **Babcock & Brown Infrastructure Limited**

27 **Q. Why was BBIL selected?**

28 **A.** Our Board determined that BBIL's offer provided the best value for all our
29 stakeholders - customers, employees, regulators and stockholders. BBIL provides

1 access to capital, access to expertise and long-term stability to our stakeholders –
2 employees, customers, communities and regulators. It is NorthWestern’s view
3 that not only will a sale to BBIL not adversely affect our ability to serve our
4 customers, we believe it will enhance our ability to provide safe and reliable
5 service at reasonable rates well into the future. NorthWestern believes that it is in
6 the interest of customers to have long term owners with focus and experience in
7 core utility assets and infrastructure rather than owners focused on short term
8 returns, particularly if new investment is required. For example:

- 9 • BBIL is committed to a long-term conservative utility ownership with a
10 proven track record of owning energy distribution and transmission, and
11 power generation companies and assets;
- 12 • BBIL has a demonstrated ability to access low cost capital in many
13 financial markets for its business operations;
- 14 • BBIL’s business approach emphasizes local management, local jobs, and
15 local growth, including investing in infrastructure replacement,
16 transmission and power production, including renewables;
- 17 • BBIL is committed to providing NorthWestern additional capital to fund
18 further economic investments;
- 19 • BBIL, through its strategic relationship with Babcock and Brown may also
20 provide access to other investment vehicles which specialize in
21 renewables and other infrastructure which could benefit Montana;
- 22 • Current employees will be retained, no reductions, relocations or
23 replacements, and continuation of the level of employee benefits;
- 24 • Change in ownership should be transparent to customers – we will have
25 the same employees, same quality service, same name, same commitment
26 to customers and communities, and same regulatory oversight; and
- 27 • Lastly, BBIL was willing to pay a competitive price for NorthWestern.

28
29 Michael M. Garland from BBIL discusses this further in his testimony.

1
2 **Q. Please describe the BBIL sale transaction.**

3 **A.** The proposed transaction is in form a merger of BBI Glacier Corp., a wholly
4 owned indirect subsidiary of BBIL, with and into NorthWestern with
5 NorthWestern surviving the merger as a wholly owned indirect subsidiary of
6 BBIL (given that BBI Glacier Corp. then ceases to exist). The following will
7 occur in connection with the merger:

- 8 • Each share of our common stock issued and outstanding immediately prior
9 to the effective time of the merger (other than shares held directly or
10 indirectly by us or BBIL or any of its subsidiaries, shares held by
11 dissenting stockholders who exercise and perfect their appraisal rights
12 under Delaware law and shares held in the disputed claims reserve) will
13 automatically be cancelled and converted into the right to receive \$37.00
14 in cash, without interest and less any required withholding taxes.
- 15 • Each share of our restricted common stock that is issued and outstanding
16 immediately prior to the effective time of the merger shall vest in full,
17 become free of restrictions and shall be converted into the right to receive
18 \$37.00, without interest and less any required withholding taxes.
- 19 • Each share of our common stock that is owned by us as treasury stock, by
20 any of our subsidiaries, or by BBIL or any of its subsidiaries, immediately
21 prior to the effective time of the merger will automatically be cancelled
22 and retired and will cease to exist. No consideration will be delivered in
23 exchange for those shares.
- 24 • Each share of our common stock issued and outstanding and held in the
25 disputed claims reserve immediately prior to the effective time of the
26 merger will automatically be cancelled and converted into the right to
27 receive \$37.00 in cash without interest and less any required withholding
28 taxes.
- 29 • Upon the surrender to the paying agent of an original copy of a

1 NorthWestern warrant, the paying agent will pay to such holder an amount
2 in cash, without interest and less any required withholding taxes, equal to
3 the product obtained by multiplying the total number of shares of our
4 common stock issuable upon the exercise in full of the warrant, by the
5 excess, if any, of \$37.00 over the exercise price per share of common
6 stock of such warrant.

- 7 • Each deferred stock unit (representing rights based on a share of our
8 common stock) which is outstanding under our 2005 Deferred
9 Compensation Plan for Nonemployee Directors immediately prior to the
10 effective time of the merger will automatically be converted into the right
11 to receive \$37.00 for each share that is subject to the deferred stock unit,
12 without interest and less any required withholding taxes, from
13 NorthWestern or the surviving corporation, as applicable. The holder of
14 such deferred stock unit will be entitled to receive such amount at the time
15 previously selected by such holder pursuant to the terms of any deferral
16 election made with respect to such deferred stock unit, subject to the terms
17 and conditions set forth in our 2005 Deferred Compensation Plan for
18 Nonemployee Directors and compliance with applicable tax law and
19 regulations.
- 20 • Our stockholders will no longer have any interest in, and will no longer be
21 stockholders of, NorthWestern, and will not participate in any of our
22 future earnings or growth.
- 23 • Each share of BBI Glacier Corp.'s common stock, par value \$.01 per
24 share, all of which is held, indirectly, by BBIL, will be converted into and
25 become one validly issued, fully paid and nonassessable share of common
26 stock, par value \$.01 per share, of the surviving corporation and such
27 shares will be the only outstanding shares of capital stock of the surviving
28 corporation.
- 29 • Our common stock will be cancelled and no longer be listed on NASDAQ

1 and price quotations with respect to our common stock in the public
2 market will no longer be available. Because we have publicly traded debt,
3 we will continue to file disclosure reports with the U.S. Securities and
4 Exchange Commission.

5
6 **Montana Public Service Commission Merger Review**

7 **Q. Please describe how NorthWestern (and BBIL) have addressed the**
8 **Settlement Agreement and Consent Order.**

9 **A.** As previously discussed, NorthWestern requested that all bidders focus on the
10 regulatory requirements of all states in which we provide service, and in particular
11 in Montana, the Settlement Agreement and Consent Order.

12
13 The Settlement Agreement and Consent Order required the Company to focus on
14 its core utility operations and to limit investment in non-regulated activities. This
15 feature as relates to NorthWestern will remain unchanged. NorthWestern, under
16 either its current ownership or the ownership of BBI, will:

- 17 (1) Make the September 30, 2006, rate filing required by Ordering
18 Paragraph B;
19 (2) Meet the “ring fencing” and structural and non-structural affiliate
20 requirements set forth in Ordering Paragraph C;
21 (3) Meet the reporting and disclosure requirements set forth in
22 Ordering paragraph D;
23 (4) Perform its obligations under the provisions of Ordering Paragraph
24 E regarding the Liberty Consulting audit of its transmission and
25 distributions facilities.

26
27 Further, with respect to the Commission’s ring fencing requirements, in ordering
28 paragraph C of the Consent Order:

- 29 (1) NorthWestern will continue to maintain the ownership and control

1 of its public utility assets, facilities, and operations;

2 (2) Under the BBI holding company structure, NorthWestern's public
3 utility assets will continue to be owned and maintained in

4 NorthWestern and apart from BBIL's ownership, risks, and

5 operations of any other businesses it now owns or may acquire;

6 (3) NorthWestern will not issue new Montana utility debt except in
7 accordance with Montana law and the rules and regulations of the
8 Commission;

9 (4) NorthWestern will not pledge its Montana assets to secure the
10 indebtedness of an affiliated company, except in accordance with
11 Montana law and the rules and regulations of the Commission;

12 (5) NorthWestern will not provide loans, guarantees, advances, equity
13 investments or working capital related to Montana operations to an
14 affiliated company, except in accordance with Montana law the
15 rules and regulations of the Commission.

16 (6) NorthWestern will not enter into any contract with a subsidiary or
17 an affiliate where the costs of the contract are to be recovered in
18 utility rates paid by Montana ratepayers, except in accordance with
19 Montana law and the rules and regulations of the Commission;

20 (7) NorthWestern will maintain such separate books and accounting
21 records for its utility operations as is required by the Commission's
22 rules and regulations and will allow the Commission reasonable
23 access to such books and records in accordance with Montana law;
24 and,

25 (8) NorthWestern will maintain its Montana Universal Benefit funds
26 in a separate and segregated interest bearing bank account
27 dedicated exclusively to the handling of such funds, and it will
28 account for them as trust funds as provided for under Montana law.
29

1 BBIL has committed to support NorthWestern in its continued work to satisfy the
2 commitments in the Settlement Agreement and Consent Order. In short,
3 NorthWestern will continue to abide by the Settlement Agreement and Consent
4 Order. The change of ownership to BBIL will support rather than impede the
5 Company's progress. Michael M. Garland of BBIL provides further testimony on
6 this subject.
7

8 **Q. Did NorthWestern also make BBIL aware of the MPSC "Statement of**
9 **Factors For Evaluating Proposals to Acquire NorthWestern Energy"?**

10 **A.** Yes. NorthWestern instructed all bidders that the bids would be reviewed in light
11 the bidders assessment of the MPSC's "Statement of Factors For Evaluating
12 Proposals to Acquire NorthWestern Energy."
13

14 **Q. Please elaborate on the MPSC's Statement of Factors.**

15 **A.** Following acceptance of the Settlement Agreement and Consent Order, the
16 Commission issued a "Statement of Factors for Evaluating Proposals to Acquire
17 NorthWestern Energy," "that it might use to evaluate any proposals to acquire
18 NorthWestern's Montana operations after the utility emerges from bankruptcy."
19 The guidance provided is stated to be "in the context of the bankruptcy . . ." and
20 "is not intended to chill the advancement of any prospective purchaser . . ."
21 Further, a superior proposal "is likely to have a preponderance of these elements
22 and characteristics."
23

24 NorthWestern recognized that the MPSC would likely utilize the Statement of
25 Factors as guidance in any purchase evaluation. Viewed narrowly, the Statement
26 of Factors was developed by the Commission "in the context of the bankruptcy"
27 and therefore may not directly apply to this transaction. The BBIL transaction
28 essentially results in only a change of investors more than a year and a half after
29 emergence from bankruptcy. The Commission itself prudently stated

1 qualifications about how the Statement of Factors should be viewed or would be
2 applied. Nonetheless, from the time the Statement of Factors was issued by the
3 Commission, NorthWestern studied it and sought to incorporate its general goals,
4 as appropriate, into its ongoing operations. As a result, NorthWestern has already
5 largely addressed the Statement of Factors since emerging from bankruptcy, as
6 part of its ongoing operations. This approach is supported and will be maintained
7 by BBIL. Therefore, the Statement of Factors is being addressed and in many
8 cases is already satisfied, as described throughout my testimony.
9

10 **Conclusion**

11 **Q. Do you have anything further to add to your testimony?**

12 **A.** Only that NorthWestern has worked hard to continue building a long-term,
13 financially strong, and successful utility within Montana and NorthWestern's
14 other jurisdictions - a utility that serves the interests of all of NorthWestern's
15 stakeholders -- customers, employees, regulators and stockholders. Thus, the
16 agreement between NorthWestern and BBIL to a merger and sale will protect
17 customers and employees, maintain the current level of Commission regulation,
18 and enhance NorthWestern's ability to continue to offer safe, reliable and
19 economic service, with the expectation that such service can be further enhanced
20 with BBIL's support.
21

22 **Q. Does this complete your direct testimony?**

23 **A.** Yes.

**PRE-FILED TESTIMONY OF MICHAEL M. GARLAND,
PRESIDENT OF BBI US HOLDINGS II CORP.
AND BBI GLACIER CORP.**

Q. Please state your name and describe your positions with BBI US Holdings II Corp. and BBI Glacier Corp.

A. My name is Michael M. Garland and I am the President of BBI US Holdings II Corp. (“Holdings II”) and BBI Glacier Corp. (“Glacier”). I am also a member of the Board of Directors of Holdings II and Glacier.

Q. What is the purpose of your testimony?

A. I offer this testimony in support of the Joint Application in Compliance with Consent Order and Required Notification (the “Joint Application”) which is filed with this testimony and that requests that this Commission approve the merger and sale by which Babcock & Brown Infrastructure Limited (“BBIL”), through the merger of Glacier into and with NorthWestern, will acquire 100% of the outstanding shares of NorthWestern, subject to regulatory and NorthWestern shareholder approvals, for \$37.00 per share in an all cash transaction, which values the Company at approximately \$2.2 billion. The cash consideration payable by BBIL is approximately \$1.5 billion, including closing costs. In addition, \$736 million of existing NorthWestern debt will remain in place.

1 **Q. Please summarize your testimony.**

2
3 **A.** I will provide an overview of Babcock & Brown Infrastructure (“BBI”), BBIL, and its
4 subsidiaries, BBI US Holdings Pty Ltd (“Holdings Pty.”), Holdings II and Glacier.
5 (together, the “BBI Companies”) I will specifically address the interrelationship between
6 those entities, their general and specific financial structure and their relationship to the
7 Joint Application. I will address why the BBI is interested in pursuing a merger with
8 NorthWestern Corp. Finally, I will address the application of the Settlement Agreement
9 and Statement of Factors to this transaction.

10
11 **Q. Have you, on behalf of the BBI Companies, reviewed the written testimony of**
12 **Michael J. Hanson, which has been submitted with the Joint Application.**

13
14 **A.** I have.

15
16 **Q. What is the BBI Companies’ position on the issues addressed in Mr. Hanson’s**
17 **testimony?**

18 **A.** The BBI Companies acknowledge and fully support Mr. Hanson’s testimony in its
19 entirety, particularly the testimony offered by Mr. Hanson concerning the gains
20 NorthWestern has made since emerging from bankruptcy protection. I will also reiterate
21 that BBI is a long-term conservative utility owner with a proven track record and, as
22 owner of NorthWestern, BBI will emphasize local management, local jobs and local
23 growth. Further, BBI is committed to appropriate capital expenditures by NorthWestern
24 in Montana. BBI views both growth and maintenance capital expenditures as a necessary
25 component of its ownership role.

26 **Q. Please describe BBI and give a brief overview of BBI’s most significant investments.**

27
28 **A.** BBIL, along with Babcock & Brown Infrastructure Trust (“BBIT”), form BBI. BBI is a
29 utility infrastructure company based in Sydney, Australia, listed on the Australian Stock

1 Exchange (ASX:BBI) and admitted to the ASX 200 Index. BBI has a current enterprise
2 value of approximately \$4.9 billion. Each share in BBIL is stapled to a unit in BBIT.
3 Babcock & Brown Investor Services Limited (“BBIS”), a subsidiary of Babcock &
4 Brown Limited (ASX: BNB) (“Babcock & Brown”), is the Trustee for BBIT. BBI is
5 rated investment grade by Moody’s Investors Service.

6
7 BBI was formerly known as Prime Infrastructure. BBI’s principal activity is owning and
8 managing utility and infrastructure businesses worldwide. BBI owns companies in
9 electricity transmission and distribution, gas transmission and distribution, and transport
10 infrastructure, and has ownership interests in thermal and renewable power generation.

11
12 BBI’s operations include the following businesses carried out in three segments: Energy
13 Distribution, Transport Infrastructure and Power Generation.

14
15 *Energy Distribution*

- 16 • Powerco, which provides electricity and gas distribution in the North Island of
17 New Zealand and Tasmania, Australia.
- 18 • IEG, which provides natural gas and LPG transmission, distribution and supply
19 located in the United Kingdom, the Channel Islands, Isle of Man and Portugal
- 20 • Cross Sound Cable, a HVDC transmission cable that links the electricity grids of
21 New York and Connecticut.

22
23 *Transport Infrastructure*

- 24 • Dalrymple Bay Coal Terminal, which is one of the world’s largest coal export
25 facilities serving the Bowen Basin, Queensland, Australia
- 26 • PD Ports, the second largest port operator (by volume) and the owner of the
27 largest port in the industrial northeast of the United Kingdom.
- 28 • WestNet Rail, a 51% equity interest in a rail infrastructure business based on
29 Western Australia.

1 *Power Generation*

- 2 • Interests in fossil and renewable power generation assets with a gross capacity in
3 excess of 2,000MW.

4
5 BBI's energy sector management are utility executives with an average of over 25 years
6 experience in the electric and gas transmission and distribution business. BBI looks to
7 each operating company to be managed locally and responsibly.

8
9 The BBIL Board of Directors consists of four Directors, two of whom are independent.
10 The BBIS Board consists of seven Directors, four of whom are independent. The BBIL
11 Board, in consultation and agreement with the BBIS Board, formulate and approve the
12 strategic direction, investment objectives and goals of Babcock & Brown Infrastructure.

13
14 **Q. What is the structure under which BBIL proposes to acquire NorthWestern and**
15 **how will NorthWestern's assets and ratepayers be shielded from BBI's other**
16 **businesses?**

17
18 **A. As described more fully below, BBI establishes each of its investments in an Australian**
19 **holding company below BBIL. In turn, for each non-Australian investment, a single**
20 **purpose holding company is formed in that jurisdiction. Companies such as BBI that**
21 **operate in multiple jurisdictions often form two holding companies to segregate**
22 **investments, limit the reach of unforeseen liabilities and to enable efficient tax**
23 **structuring. This structure also enables expansion of the local entity independent of other**
24 **parent operations and investments.**

25
26 For the merger with NorthWestern, the following BBI Companies will constitute the
27 organizational structure:

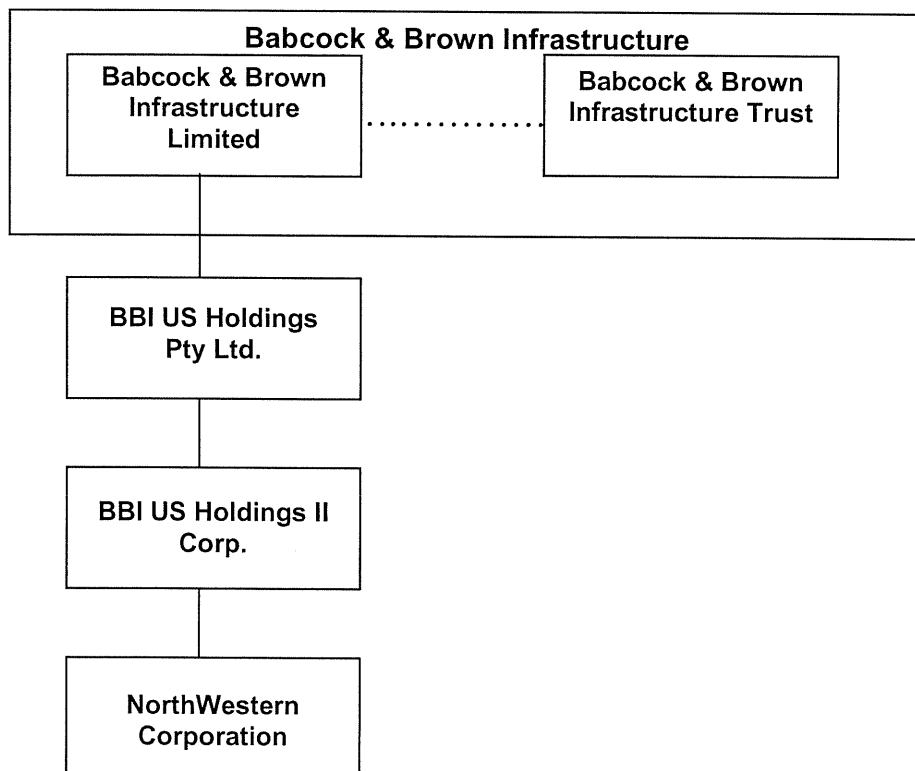
28
29 **BBI US Holdings Pty Ltd. ("Holdings Pty")** is a direct wholly-owned Australian
30 subsidiary of BBIL that was formed to hold the equity interests in Holdings II.

BBI US Holdings II Corp. (“Holdings II”), a Delaware corporation, is a wholly-owned subsidiary of Holdings Pty formed to hold the equity interests in Glacier and, following completion of the acquisition, in NorthWestern.

BBI Glacier Corp. (“Glacier”), a Delaware corporation and a wholly-owned indirect subsidiary of BBIL, is a special purpose company formed to merge with and into NorthWestern. Glacier is a direct subsidiary of Holdings II, which is in turn a wholly-owned subsidiary of Holdings Pty.

None of Glacier, Holdings Pty or Holdings II has conducted any business operations other than incidental to their formation and in connection with the transactions contemplated by the merger agreement. Each was formed solely for the purpose of engaging in the merger and the transactions contemplated by the Merger Agreement.

The following is a chart depicting the post-merger corporate structure:



1 As noted above, for each of its investments, BBI as a matter of course establishes, or
2 maintains if already established, a separate corporate entity. Above that entity BBI forms
3 at least one single purpose holding company. This structure allows BBI effectively to
4 ring-fence each of its businesses so as to shelter that business from risks and obligations
5 arising in relation to the other BBI businesses. As outlined in the diagram above, BBI
6 will ring-fence NorthWestern through a dual holding company structure, one such
7 holding company domiciled in the U.S. and the other in Australia. BBI notes that the
8 Commission has expressed a desire that any acquirer of NorthWestern should ring-fence
9 the NorthWestern business. BBI is more than willing to do so, and would make such
10 arrangement even if the Commission had not stated such a preference.

11
12 Consistent with that approach, BBI has committed that it will not pledge its interest in
13 NorthWestern to secure financing of its other ventures. BBIL's investment strategy
14 requires each asset or entity that it owns to "stand alone" financially.

15
16 **Q. Why is BBI acquiring NorthWestern?**

17
18 **A.** BBI is a utility infrastructure owner with a conservative approach to the utility business.
19 It is committed to owning and operating utility and infrastructure assets on a long-term
20 and financially stable basis. BBI has been attracted by the quality of NorthWestern's
21 assets, its stable existing customer base and its steady growth opportunities. To those
22 features, BBI will bring consistency of long-term ownership, broad-based expertise in gas
23 and electric transmission and distribution, power generation and renewable energy, and a
24 strong financial position.

25
26 In addition, NorthWestern is similar in many respects to Powerco, another of BBI's
27 electric and gas transmission and distribution companies. Powerco, based in New
28 Zealand, is similar in size and rural characteristics to NorthWestern, including cities with
29 populations well under 100,000.

Equally, BBI already own businesses in the U.S. – Cross Sound Cable is a New England based High Voltage Direct Current (HVDC) transmission interconnector, linking the New England and New York transmission grids. BBI purchased the company in 2005 and all regulatory approvals were obtained and closing occurred in February 2006. BBI also owns an 8.9% interest in B&B Wind Partners, which owns wind generating facilities in the US.

Q. How does BBI intend to finance this acquisition? Will BBI increase NorthWestern's debt.?

A. The total amount of funds necessary to complete the merger is \$2.228 billion, of which \$736 million represents existing NorthWestern debt and the remaining approximately \$1.492 billion will be funded through a combination of equity contributions by BBIL and debt financing.

Equity Financing

Approximately US\$987 million is expected to be provided by BBI from existing cash and through issuances of equity in the capital markets. BBI is a company listed on the Australian Stock Exchange with a market capitalization of approximately US\$1.7 billion. In March 2006, BBI raised approximately US\$500 million to finance certain acquisitions. Additionally, BBI has implemented a well-supported distribution reinvestment program and has fully refreshed its annual 15% of ordinary equity placement capacity at a recent stockholder meeting, which allows BBI quickly to access the institutional investor market on short notice. BBIL has raised approximately US\$900 million from the Australian equity capital markets in the last 12 months.

In addition, in connection with the transaction, BBI received affirmation from Moody's Investor Services, or Moody's, that, subject to the completion of the transaction as contemplated and realization of the financial and operating projections (both in respect of BBI generally and NorthWestern specifically) provided to it, BBI could be expected to retain its investment grade rating (Baa3 stable) following completion of the merger.

Debt Financing

Acquisition Bridge Financing - In connection with the execution and delivery of the merger agreement, BBI has obtained commitments for an underwritten acquisition bridge financing facility of \$US505 million (the “BBI Acquisition Facility”), to be provided to Holdings II in equal proportions by Commonwealth Bank of Australia, Dresdner Bank AG London Branch and HSH Nordbank AG, New York Branch (“Lenders”).

The BBI Acquisition Facility will be non-recourse to NorthWestern. The borrower will be Holdings II. Security for the loan will be limited to the assets (a six-month debt service reserve) and stock of Holdings II but excluding the equity interests of Holdings II in NorthWestern. The loan will be repaid solely out of dividends paid by NorthWestern to Holdings II, and the Lenders will have no security interests in, or any pledge of, NorthWestern or its assets. At closing Holdings II will not have conducted any business operations other than incidental to its formation and in connection with the transactions contemplated by the merger agreement.

In the context of the merger agreement, the BBI Acquisition Facility has several noteworthy features, including:

- A credit commitment availability period adequate to complete the procurement of necessary federal and state regulatory approvals;
- Fixed and firm pricing over the duration of the regulatory approval period without market flex provisions; and

BBI’s objective in establishing this acquisition bridge financing package was to ensure funding certainty during the regulatory approval process.

Existing NorthWestern Debt - BBIL has assumed that no, or only limited, refinancing of existing NorthWestern corporate debt will be required to consummate the merger, although the transaction is not contingent upon achieving this result. BBIL understands

1 that two of its existing facilities have change of control repayment/redemption triggers
2 under certain circumstances, namely the:

- 3 • \$225 million 5.875% senior secured mortgage bonds, or the Senior Secured
4 Bonds; and
- 5 • \$200 million unsecured revolver, or the Revolver.

6 Senior Secured Bonds. The change of control trigger in respect of the Senior Secured
7 Bonds is exercisable only in circumstance where the bonds have not obtained investment
8 grade ratings from both Standard & Poor's and Moody's at the time of the change of
9 control. Upon the achievement of investment grade ratings, the change of control trigger
10 is permanently eliminated, irrespective of future NorthWestern credit rating outcomes.
11 BBIL believes that NorthWestern will achieve and maintain an investment grade rating
12 of the bonds by the effective time of the merger, reflecting, in part:

- 13 • The announcement by Standard & Poor's on April 7, 2006 that it had raised the
14 rating of certain of NorthWestern's senior secured indebtedness to BBB-; and
- 15 • The announcement by Moody's on April 27, 2006 affirming the corporate family
16 rating for NorthWestern at Ba1 and affirming its positive outlook pursuant to the
17 announcement of the merger agreement with BBIL. Included within that
18 announcement was a statement regarding Moody's expectation of substantial
19 improvement in NorthWestern's credit metrics over the next several years.

20 Revolver. In respect of NorthWestern's \$200 million revolver, BBIL's strategy is that, at
21 the appropriate juncture, and together with NorthWestern, BBIL would approach the
22 revolver's administrative agent to ascertain the lenders' intentions with regard to the
23 change of control provisions contained in the Revolver. BBIL would like to maintain the
24 existing facility, and will work collaboratively to achieve this goal.

25 BBIL is very confident, based on confidential market discussions, that a replacement
26 financing package for NorthWestern's Senior Secured Bonds and Revolver could be

1 readily procured during the regulatory approval period on terms not disadvantageous to
2 NorthWestern or its external credit ratings.

3 BBIL is not assuming any additional borrowings by NorthWestern either before or at the
4 effective time of the merger. Accordingly, the post-acquisition pro forma financial
5 accounts will contain the existing corporate indebtedness (adjusted for balances
6 outstanding at the effective time of the merger) plus risk capital in the form of equity
7 and/or stockholder loans contributed by BBIL. Accordingly, BBIL believes that external
8 debt metrics calculated at the NorthWestern operating company level by credit rating
9 agencies will not deteriorate at the effective time of the merger and should be consistent
10 with an investment grade rating.

11 **Q. What is BBI's policy regarding capital expenditures?**

12 **A.** BBI is committed appropriate capital expenditures being made by each of its companies,
13 including NorthWestern. Whether relating to the maintenance, replacement or
14 enhancement of existing company infrastructure, or to new opportunities for growth, BBI
15 views capital expenditure as a necessary component of its ownership role, and BBI has
16 the ability, when necessary, to access the capital markets to supplement cash flow
17 generated within NorthWestern for this purpose. The following are examples of BBI's
18 commitment to maintain appropriate levels of capital expenditure within its operating
19 companies for the year ending June 30, 2006:

20 **BBI Fiscal Year 2006 Capex Commitments**

- 21 • At Powerco in New Zealand, in excess \$90 million of renewal, replacement and
22 growth capital expenditure has been committed;
- 23 • At IEG in the United Kingdom, over \$65 million of renewal, replacement and growth
24 capital expenditure has been committed;
- 25 • At the Dalrymple Bay Coal Terminal ("DBCT") in Australia, BBI's capital
26 expenditure investment will have exceeded \$270 million for the year ended June 30,

1 2006 and BBI will have committed to invest in excess of an additional \$600 million
2 to complete the planned expansions of the terminal; and

- 3 • At PD Ports in the UK, BBI is actively reviewing a proposed capital expenditure
4 project that would see capital committed in excess of USD \$560 million in relation to
5 the development of a deep-sea container terminal being built on the banks of the
6 River Tees.

7 In respect of discretionary and growth capex, the investment decision initially will be
8 developed by on-site local NWECC management and then assessed and approved by the
9 board of NorthWestern where the investment is prudent and reasonable.

10 **Q. How much experience does BBI management have with running regulated utility**
11 **businesses?**

12
13 **A.** Substantially all of BBI's businesses, including its Energy Distribution businesses are
14 regulated and BBI's energy sector management averages over 25 years experiences in
15 such regulated electricity generation and electric and gas distribution businesses.
16

17 **Q. Did BBI consider the Stipulation and Settlement Agreement and Consent Order in**
18 **its bid for NorthWestern? If so, how does the transaction comply with the**
19 **Settlement Agreement and Consent Order?**

20
21 **A.** As Mike Hanson mentioned, NorthWestern asked us to consider the Settlement
22 Agreement in our bid and we did. We believe that the transaction substantially will
23 comply with the Settlement Agreement and Consent Order. With respect to the structure
24 of the transaction, even though the Settlement Agreement and Consent Order speak of a
25 parent company, NorthWestern will continue as a wholly owned subsidiary and operate
26 as a utility company much as it is doing now as the parent company. In respect of the
27 ring-fencing of NorthWestern's business, as noted above, BBI ring-fences each of its
28 assets as a matter of course and would expect to do so with the NorthWestern assets.
29

1 **Q. Did BBI consider the Statement of Factors released by the Commission? If so, how**
2 **does this transaction comply with the Statement of Factors?**

3
4 **A.** The terms of the Merger Agreement and BBI, as appropriate, comply with a
5 preponderance of the elements and characteristics set forth in the Statement of Factors as
6 follows:

7
8 **Financial Strength and Capability**

9
10 BBI is an investment grade owner of infrastructure assets around the world. Substantially
11 all of BBI's assets operate in a regulated environment. BBI understands that regulators
12 do not generally allow recovery in rates of premiums paid for existing assets. BBI has no
13 intention to recover any acquisition premium being paid for NorthWestern's assets from
14 ratepayers.

15
16 As noted above, historically, each BBI business has been maintained in separate
17 subsidiary and BBI will do so with NorthWestern and thus maintain the "ring fence"
18 protections envisioned by the Commission.

19
20 BBI has undertaken to maintain existing employee levels for two years and benefit plans
21 for at least two years, and subject to certain conditions, three years, and intends that
22 NorthWestern maintain its current funding commitment to the pension plan.

23
24 BBI was formed as a stable, low risk investment vehicle providing predictable returns to
25 investors. Accordingly, BBI values long term, stable earnings and growth over volatility
26 of earnings. Consequently, BBI invests with a long term (essentially indefinite) time
27 horizon in businesses that provide stable and consistent cash flow. Regulated businesses
28 such as NorthWestern fit that profile.

Energy Supply

BBI's energy sector management averages over 25 years experiences in electricity generation and electric and gas distribution. BBI understands the need for a balanced portfolio of supply so that disruptions in any one source do not unduly affect customers. BBI intends to work with NorthWestern's existing management and within NorthWestern's existing commitments to acquire appropriate and balanced supply under the Commission's guidelines and complete the electric default supply portfolio.

BBI sees opportunities for in-state growth in transmission and rate-based generation, including renewables. Each opportunity will need to be evaluated but these opportunities can be a source of supply that reduces NorthWestern's exposure to the short-term market.

Infrastructure

BBI is committed to working with NorthWestern to fully implement the Liberty Consulting infrastructure audit recommendations to maintain and enhance system integrity and reliability.

Demonstrable Montana Focus

While BBI has no interest or intent to disaggregate NorthWestern by state, BBI will maintain a focus on the individual state operations in Montana, retain local management and staff in Montana and focus on local jobs and investment in Montana. BBI has committed to maintaining existing employee and customer service levels. Importantly, BBI has also committed to continue NorthWestern's current customer and community programs, to continue existing energy assistance and charitable giving programs and to meet conservation and renewable energy commitments.

1 **Utility Focus**

2
3 BBI agrees with NorthWestern’s “back to basics” approach to maintain its focus on
4 distributing gas and electricity to its customers in a regulated environment.
5

6 **Customer Focus**

7
8 BBI shares NorthWestern’s commitment to meeting the Commission’s customer service
9 and quality expectations. BBI will work with the NorthWestern management to continue
10 the focus on improving service, stabilizing rates and providing exceptional customer
11 care. BBI is also committed to continuing NorthWestern’s current customer and
12 community programs.
13

14 **Energy Utility Management Experience**

15
16 BBI is an experienced owner and operator of gas and electric transmission and
17 distribution, power generation and renewable energy assets, substantially all of which
18 operate in a regulated environment. BBI’s senior energy sector management has an
19 average of over 25 years’ energy experience. BBI’s experience in owning and operating
20 electricity generation, and gas and electric transmission and distribution utility
21 companies will provide NorthWestern additional resources to better serve the citizens of
22 Montana. To demonstrate the level of BBI’s experience, I would like to briefly describe
23 the assets managed by BBI in the energy sector.
24

25 Powerco is the second largest gas and electric distribution company in New Zealand,
26 serving in excess of 400,000 customers. In addition, Powerco is constructing a
27 greenfield gas distribution network on the island of Tasmania.
28

29 IEG owns and operates gas distribution and supply business in the United Kingdom,
30 Channel Islands, Isle of Man and Portugal serving in excess of 220,000 customers with

1 an order book of an additional 117,000 contracted future connections. IEG recently
2 applied for an electricity distribution license in the United Kingdom.

3
4 Cross Sound Cable owns a 24 mile, 330MW high voltage direct current electric
5 transmission cable linking the New York and Connecticut electric grids.

6
7 A 50% ownership in Ecogen Power, which controls the 960MW (combined capacity)
8 Newport and Jeeralang gas-fired generation power plants in Victoria, Australia.

9
10 A 50% joint ownership interest in Redbank Power Station, a 145MW coal tailings fired
11 power station in the Hunter Valley of New South Wales, Australia.

12
13 **Effective Functioning in the Montana Constitutional, Statutory, and Regulatory**
14 **Framework**

15
16 As I previously indicated, BBI has substantial experience operating in regulated
17 environments. BBI understands the importance of professional relationships and open
18 communication with the Commission, its staff, the Consumer Counsel and the
19 communities and the customers served.

20
21 **Q. What are BBI's short and long term plans for NorthWestern once the regulatory**
22 **approvals are obtained?**

23
24 **A.** BBI's plans are very simple. In the short term, BBIL plans to work with NorthWestern's
25 management and support its efforts to continue improving NorthWestern's financial
26 strength, customer service and operating performance. Therefore, it is likely that you will
27 notice little if any difference in the day-to-day operations of NorthWestern. BBIL intends
28 to maintain the current management team, employment levels and employee benefits
29 levels. Additionally, BBIL fully supports NorthWestern's current business plan,
30 including the recommendations of the Liberty Audit.

1
2 As a long term investor, BBIL will look to NorthWestern to be run in a manner consist
3 with that of a long term, stable, back-to-basics utility, which provides safe, reliable
4 service at reasonable rates. Additionally, we are interested in long-term value creation
5 through continual economic investment in NorthWestern's infrastructure.
6

7 **Q. How does the sale improve what NorthWestern already has in place?**
8

9 **A.** The sale of the Company to a long-term owner such as BBI provides stability of
10 ownership and management, a commitment to operational enhancements and a focus on
11 operational reliability, customer service and long-term value. In addition, BBI provides
12 enhanced capital access to fund appropriate organic growth, so as to ensure the stability
13 of ratings and reduce long-term cost of debt.
14

15 **Q. Please state why you believe the proposed transaction between BBI and**
16 **NorthWestern will be beneficial to Montana and its citizens.**
17

18 **A.** BBIL's business approach for NorthWestern is a long term, stable, back-to-basics utility,
19 which we believe is in the best interests of Montana and its citizens. Additionally, we
20 believe that our approach is consistent with the Settlement Agreement and the Consent
21 Order as expressed in Mr. Hanson's testimony.
22

23 BBIL is a substantial entity, with significant experience in the financial markets, which
24 will help NorthWestern continue to improve its financial strength and access to the
25 financial markets. BBIL's practice of ring fencing its operating businesses and focusing
26 its businesses on their core competency will benefit the citizens of Montana by avoiding
27 the diversification mistakes of the past. Also, the transaction with NorthWestern, as
28 currently structured, will not increase NorthWestern's debt.
29

1 BBIL's extensive experience in owning and operating electricity generation, and gas and
2 electric transmission and distribution utility companies and its strong utility management
3 will provide NorthWestern's management access to additional resources to better serve
4 the citizens of Montana. We understand that the energy supply issues facing Montana are
5 being addressed in other PSC proceedings and are not the subject of this process, but
6 BBIL is committed to supporting NorthWestern and the PSC in their efforts to improve
7 the supply situation in Montana and we believe that our experience and resource could be
8 helpful.

9
10 As we have previously stated, BBIL believes in local jobs and local growth. Unlike many
11 other utility mergers, there will be no reduction in employment in the communities
12 NorthWestern serves under the proposed transaction. Company management will
13 remain local as it is now and will operate with appropriate autonomy. There will be no
14 reductions in customer service. We are also committed to support NorthWestern
15 investing in the Liberty Consulting audit recommendations and other future appropriate
16 infrastructure improvements and growth. This approach and focus should provide job and
17 economic opportunities in Montana.

18
19 Finally, BBI and NorthWestern are committed to maintaining strong relationships with
20 the communities and the regulators in Montana. BBI and NorthWestern are committed to
21 continuing NorthWestern's history of energy assistance and charitable giving programs.

22
23 In short, BBI is committed to be a good citizen of Montana and, given the right
24 environment, BBI is interested in further investment in utility, transmission and
25 generation assets.

26
27 **Q. Does that conclude your initial testimony in this matter?**

28
29 **A. Yes, it does.**
30